# GOVERNMENT OF INDIA
# MICRO,SMALL AND MEDIUM ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:2444
ANSWERED ON:09.05.2016
Promotion of Cottage Industries
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**Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:**

(a) the details of the schemes/programmes including credit-linked programmes being implemented at present by the Government to promote cottage and agriculture-based industries and the number of beneficiaries therefrom, State/UT-wise;

(b) whether the Government has constituted any panel to study the condition of cottage industries and agriculture-based industries in the country;

(c) if so, the details and the findings thereof; and

(d) the steps taken/being taken by the Government to promote the agro and cottage industries in the country?

## Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Ministry of Micro, Small and Medium Enterprises (MSME) through Khadi and Village Industries Commission (KVIC) and Coir Board is implementing the following schemes to promote cottage and agro-based rural industries:

Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country through KVIC, State Khadi & Village Industries Board (KVIB) and District Industries Centre (DIC). General category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as SC/ST/Women/ PH/Minorities/Ex-Servicemen/NER, the margin money subsidy is 35% in rural areas and 25% in urban areas. The maximum cost of projects is Rs.25 lakh in the manufacturing sector and Rs.10 lakh in the service sector. Since inception and up to 2015-16, 3.65 lakh micro enterprises have been set up by utilizing margin money amounting to Rs.7367.40 crore. 30.94 lakh jobs have been created from these units.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters. During 2015-16, 32 clusters have been granted final approval with a total project cost of Rs.89 crore benefiting around 30000 artisans. 9 clusters out of these have already been established, benefitting more than 14000 artisans.

Coir Udyami Yojana (formerly known as REMOT Scheme) is a credit linked subsidy scheme, which provides assistance for setting up of coir units with a maximum cost of project upto Rs.10 lakhs plus working capital, which shall not exceed 25% of the project cost. The pattern of assistance is 40% as Govt. subsidy, 55% as loan from Banks and 5% as beneficiary contribution. Scheme is open to all individuals, companies, SHGs, NGOs, Institutes, etc. Upto March 2016, 6437 units have been set up by utilizing subsidy amounting to around Rs.83.90 crore.

Mahila Coir Yojana (a component of Coir Vikas Yojana-CVY) is an exclusive skill development programme for rural women artisans in coir sector. Training is provided in spinning of coir yarn/various coir processing activities. The scheme envisages distribution of motorized ratts/motorized traditional ratts and other coir processing equipments at 75% subsidy subject to a maximum amount of Rs.7500/- on successful completion of the training programme. During the training period, the women artisans are given a stipend amounting to Rs.1000/- per month. Coir Vikas Yojana also includes Skill Development & Training Programme in coir sector, Domestic & Export Market Promotion and Development of Production Infrastructure. Rs.21.67 crore has been released under CVY during 2015-16.

(b): No Madam.

(c): Does not arise.

(d): In addition, the Ministry aims to promote the agro and cottage industries in the country by encouraging and providing the artisans a platform to showcase their products in various forums such as District level, State level and National level exhibitions and fairs. The best products and processes are also being supported to be performed outside the country through schemes such as Market Promotion and Development Assistance (MPDA). Ministry through KVIC also does provide different skill training to the potential entrepreneurs through the 39 Multi-Disciplinary Training Centres (MDTC) of Khadi and Village Industries Commission (KVIC) and

RSETIs. The enterprises can also avail benefits of other schemes of the Ministry such as assistance for ISO Certification, Bar Codes etc.